



July 26, 2022

The Honorable John Kennedy
416 Russell Senate Building
Washington, D.C. 20510

The Honorable Tim Scott
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Cynthia Lummis
124 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Bill Hagerty
248 Russell Senate Office Building
Washington, D.C. 20002

Dear Senators Kennedy, Lummis, Scott, and Hagerty:

On behalf of ACA International, the Association of Credit and Collection Professionals (ACA), I am writing in support of S. 4522, the Transparency in Consumer Financial Protection Bureau (CFPB) Cost-Benefit Analysis Act. ACA International is the leading trade association for credit and collection professionals representing approximately 1,800 members, including credit grantors, third-party collection agencies, asset buyers, attorneys, and vendor affiliates in an industry that employs more than 125,000 people worldwide. Most ACA member debt collection companies are small businesses. Women comprise 70% of the ethnically diverse debt collection workforce.

ACA's membership is made up primarily of small businesses. In fact, 44% of ACA member organizations (831 companies) have fewer than nine employees. Additionally, 85% of members (1,624 companies) have 49 or fewer employees and 93% of members (1,784 companies) have 99 or fewer employees. ACA members are small businesses, and they also provide services to other small businesses including medical providers, plumbers, lawn care services, community financial institutions, and many others. ACA members range from the smallest of businesses that operate within a limited geographic area of a single state to the largest of publicly held, multinational corporations that operate in every state.

Regulations from the CFPB that do not account for the costs impacting regulated entities such as staff training time, implementing new technologies, and creating new policies and procedures, for example, have the potential to create excessive burdens. These regulatory burdens are eventually passed on to consumers, force consolidation of industries, and leave consumers and businesses with less choice.

Requiring the CFPB to conduct cost-benefit analysis will guarantee that the agency weighs the burdens and negative consequences associated with implementation and compliance against the benefits of a regulation before rules can be finalized. ACA members recently invested a significant amount of time and resources coming into compliance with the CFPB's Regulation F, an implementing regulation for the Fair Debt Collection Practices Act. The enormous resource drain associated with this regulation has consumed thousands of hours of time and resources.

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Your legislation's requirement that the CFPB must provide justification for any new regulation, including a statement of need and an examination of why the Bureau must undertake the proposed regulation and why the private market cannot adequately address the problem, would be an important step forward in having more accountability and workable requirements from the CFPB.

Thank you for your leadership on this important matter. Please let me know if you have any questions about our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Purcell". The signature is fluid and cursive, with the first name "Scott" written in a smaller, more compact script than the last name "Purcell".

Scott Purcell
Chief Executive Officer
ACA International